

# 40A:10-36.3

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2004 **CHAPTER:** 146

**NJSA:** 40A:10-36.3 (Provides when housing nonprofits may join with local units in joint insurance funds)

**BILL NO:** S77 (Substituted for A2756)

**SPONSOR(S):** Rice and others

**DATE INTRODUCED:** Pre-filed

**COMMITTEE:** **ASSEMBLY:** Housing and Local Government  
**SENATE:** Community and Urban Affairs

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:** **ASSEMBLY:** June 24, 2004

**SENATE:** February 23, 2004

**DATE OF APPROVAL:** September 14, 2004

### FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) Senate Committee Substitute enacted

#### S77

[SPONSOR'S STATEMENT:](#) (Begins on page 3 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** [Yes](#)

**SENATE:** [Yes](#)

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

#### A2576

[SPONSOR'S STATEMENT:](#) (Begins on page 3 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** [Yes](#)

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**

No

**HEARINGS:**

No

**NEWSPAPER ARTICLES:**

No

P.L. 2004, CHAPTER 146, *approved September 14, 2004*  
Senate Committee Substitute for  
Senate, No. 77

1 AN ACT permitting certain non-profit housing entities to join  
2 together with housing authorities or with other non-profit  
3 housing entities for certain insurance purposes, and  
4 supplementing P.L.1983, c.372 (C.40A:10-36 et seq).  
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:  
8

9 1. a. For the purposes of P.L. , c. (C. ) (pending before  
10 the Legislature as this bill) a “non-profit housing entity” means an  
11 organization that provides housing meeting the low and moderate  
12 income limits established by the United States Department of  
13 Housing and Urban Development, if that organization is organized  
14 as a not-for-profit entity or as a limited partnership, in a low or  
15 moderate income housing project that has as its general partner a  
16 not-for-profit entity that has as its primary purpose the construction,  
17 rehabilitation or management of housing projects for occupancy by  
18 persons of low and moderate income.

19 b. A non-profit housing entity shall be deemed a local unit for  
20 the purposes of P.L.1983, c.372 (C.40A:10-36 et seq.) if it chooses  
21 to establish or join a joint insurance fund, pursuant to P.L.1983,  
22 c.372 (C.40A:10-36 et seq.), that is comprised of either non-profit  
23 housing entities or housing authorities or a combination thereof.  
24 Such joint insurance funds shall not have as its members local units  
25 that are municipalities, counties, boards of education, or fire  
26 districts.

27 c. Notwithstanding any provision of law to the contrary, a joint  
28 insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36  
29 et seq.) that includes non-profit housing entities as members shall not  
30 join together with other local units, as otherwise provided in section  
31 1 of P.L.1983, c.372 (C.40A:10-36), for the purpose of providing  
32 contributory or non-contributory group health insurance or group term  
33 life insurance, or both, to employees or their dependents or both.

34 d. Notwithstanding any provision of law to the contrary, a joint  
35 insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36  
36 et seq.) that includes non-profit housing entities as members may  
37 participate in joint insurance funds:

38 (1) where the membership is exclusively comprised of other joint  
39 insurance funds and whose purpose is to provide excess levels of  
40 coverage;

41 (2) where the membership is exclusively comprised of other joint  
42 insurance funds and whose purpose is to accept the transfer of residual  
43 claims liabilities; or

44 (3) whose purpose is to provide environmental impairment liability

1 insurance.

2 e. A joint insurance fund that has as its members non-profit  
3 housing entities shall operate pursuant to the provisions of P.L.1983,  
4 c.372 (C.40A:10-36 et seq.).

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6 2. This act shall take effect immediately.

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11 Provides circumstances when housing nonprofits may join with local  
12 units in joint insurance funds.

**SENATE, No. 77**

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**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2004 SESSION

**Sponsored by:**  
**Senator RONALD L. RICE**  
**District 28 (Essex)**

**SYNOPSIS**

Permits certain housing nonprofits to join together with other local units in joint insurance funds.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT permitting certain housing non profits to join together with  
2 other local units for certain insurance purposes, amending  
3 P.L.1992, c.51 and supplementing P.L.1983, c.372 (C.40A:10-36  
4 et seq).

5  
6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8  
9 1. Section 11 of P.L.1992, c.51 (C.40A:10-36.1) is amended to  
10 read as follows:

11 11. For the purposes of P.L.1983, c.372 (C.40A:10-36 et seq.),  
12 "local unit" shall be deemed to include boards of education which join  
13 together with municipalities pursuant to P.L.1992, c.51 (C.40A:10-52  
14 et al.), except that boards of education, other than boards of education  
15 of county vocational school districts, shall not join together with other  
16 local units as provided in section 1 of P.L.1983, c.372 (C.40A:10-36)  
17 for the purpose of providing contributory or non-contributory group  
18 health insurance or group term life insurance, or both, to employees or  
19 their dependents or both, as otherwise permitted therein.

20 For the purposes of P.L.1983, c.372 (C.40A:10-36 et seq.), "local  
21 unit" also shall include any not for profit entity that provides housing  
22 meeting the low and moderate income limits established by the United  
23 States Department of Housing and Urban Development, so long as  
24 that entity is approved by the Commissioner of Community Affairs to  
25 participate in a joint insurance fund pursuant to section 2 of P.L. \_\_\_\_\_,  
26 c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as this bill).

27 (cf: P.L.1992, c.51, s.11)

28

29 2. (New section) a. Any entity that provides housing meeting the  
30 low and moderate income limits established by the United States  
31 Department of Housing and Urban Development may seek the  
32 approval of the Commissioner of Community Affairs to participate in  
33 a joint insurance fund if that entity is organized as a not-for-profit or  
34 a limited partnership in a low or moderate income housing project that  
35 has as its general partner an entity organized as a not-for-profit and  
36 demonstrates, to the satisfaction of the commissioner, that it has as its  
37 primary purpose the construction, rehabilitation or management of  
38 housing projects for occupancy by persons of low and moderate  
39 income.

40 b. The commissioner shall, by regulation and, pursuant to the  
41 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
42 seq.), establish those standards and guidelines governing the approval  
43 of entities seeking to participate in a joint insurance fund as provided  
44 in subsection a. of this section.

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1       3. This act shall take effect immediately.

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STATEMENT

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6       This bill authorizes local units and certain housing nonprofits to  
7 enter into agreements to insure jointly for certain purposes. Under the  
8 bill, local units and certain housing nonprofits may jointly insure for  
9 property damage and liability pursuant to the provisions of Article 1  
10 of chapter 10 of Title 40A of the New Jersey Statutes (N.J.S.40A:10-1  
11 et seq.) or Article 3 of chapter 10 of Title 40A of the New Jersey  
12 Statutes (N.J.S.40A:10-6 et seq.); for workers' compensation pursuant  
13 to the provisions of Article 4 of chapter 10 of the New Jersey Statutes  
14 (N.J.S.40A:10-12 et seq.); or for property damage, liability, or  
15 workers' compensation pursuant to P.L.1983, c.372 (C.40A:10-36 et  
16 seq.), the law which authorizes the establishment of joint insurance  
17 funds.

18       Current law authorizes the governing body of any local unit,  
19 including any contracting unit under the "Local Public Contracts Law,"  
20 to join together for insurance purposes, as described above. Local  
21 units include counties, municipalities, boards of education, excluding  
22 boards of education of county vocational school districts, and local  
23 boards, commissions, committees, authorities and agencies which do  
24 not have jurisdiction over school districts.

25       This bill would add to the definition of "local unit" under section 11  
26 of P.L.1992, c.51 (C.40A:10-36.1) any entity organized as a nonprofit  
27 which demonstrates, to the satisfaction of the Commissioner of  
28 Community Affairs, that it has as its primary purpose the construction,  
29 rehabilitation or management of affordable housing. The bill defines  
30 affordable housing as housing meeting the low and moderate income  
31 limits established by the United States Department of Housing and  
32 Urban Development. The bill requires the commissioner to adopt rules  
33 and regulations establishing standards and guidelines governing the  
34 approval of entities seeking to participate in a joint insurance fund  
35 under the bill's provisions.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE, No. 77**

**STATE OF NEW JERSEY**

DATED: MAY 27, 2004

The Assembly Housing and Local Government Committee reports favorably Senate Committee Substitute for Senate Bill No. 77.

This committee substitute authorizes certain non-profit housing entities to establish or join joint insurance funds that are comprised of either non-profit housing entities, housing authorities or a combination thereof. Non-profit housing entities, however, would be precluded from joining joint insurance funds that have as their members local units that are municipalities, counties, boards of education, or fire districts.

The committee substitute defines "nonprofit housing entity" as an organization that provides housing meeting the low and moderate income limits established by the United States Department of Housing and Urban Development, if that organization is organized as a not-for-profit entity or as a limited partnership, in a low or moderate income housing project that has as its general partner a not-for-profit entity that has as its primary purpose the construction, rehabilitation or management of housing projects for occupancy by persons of low and moderate income.

The substitute provides that joint insurance funds that include non-profit housing entities as members may not provide contributory or non-contributory group health insurance or group term life insurance, or both, to employees or their dependents, or both.

The substitute provides that a joint insurance fund that includes non-profit housing entities as members may participate in joint insurance funds:

(1) where the membership is exclusively comprised of other joint insurance funds and whose purpose is to provide excess levels of coverage;

(2) where the membership is exclusively comprised of other joint insurance funds and whose purpose is to accept the transfer of residual claims liabilities; or

(3) whose purpose is to provide environmental impairment liability insurance.



Otherwise, a joint insurance fund that has as its members non-profit housing entities would operate pursuant to the provisions of P.L.1983, c.372 (C.40A:10-36 et seq.), the provision of law governing joint insurance funds.

# SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

## STATEMENT TO

### SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 77**

# **STATE OF NEW JERSEY**

DATED: JANUARY 26, 2004

The Senate Community and Urban Affairs Committee reports favorably a Senate Committee Substitute for Senate Bill No. 77.

This committee substitute would authorize certain non-profit housing entities to establish or join joint insurance funds that are comprised of either non-profit housing entities, housing authorities or a combination thereof. Non-profit housing entities, however, would be precluded from joining joint insurance funds that have as their members local units that are municipalities, counties, boards of education, or fire districts.

The committee substitute would define "nonprofit housing entity" as an organization that provides housing meeting the low and moderate income limits established by the United States Department of Housing and Urban Development, if that organization is organized as a not-for-profit entity or as a limited partnership, in a low or moderate income housing project that has as its general partner a not-for-profit entity that has as its primary purpose the construction, rehabilitation or management of housing projects for occupancy by persons of low and moderate income.

The substitute would provide that joint insurance funds that include non-profit housing entities as members could not provide contributory or non-contributory group health insurance or group term life insurance, or both, to employees or their dependents or both.

The substitute provides that a joint insurance fund that includes non-profit housing entities as members may participate in joint insurance funds:

- (1) where the membership is exclusively comprised of other joint insurance funds and whose purpose is to provide excess levels of coverage;
- (2) where the membership is exclusively comprised of other joint insurance funds and whose purpose is to accept the transfer of residual claims liabilities; or
- (3) whose purpose is to provide environmental impairment liability insurance.

Otherwise, a joint insurance fund that has as its members non-profit housing entities would operate pursuant to the provisions of P.L. 1983, c.372 (C.40A:10-36 et seq.), the provision of law governing joint insurance funds.

# ASSEMBLY, No. 2756

## STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED MAY 10, 2004

**Sponsored by:**

**Assemblyman JEFF VAN DREW**

**District 1 (Cape May, Atlantic and Cumberland)**

**Assemblyman JACK CONNERS**

**District 7 (Burlington and Camden)**

**Co-Sponsored by:**

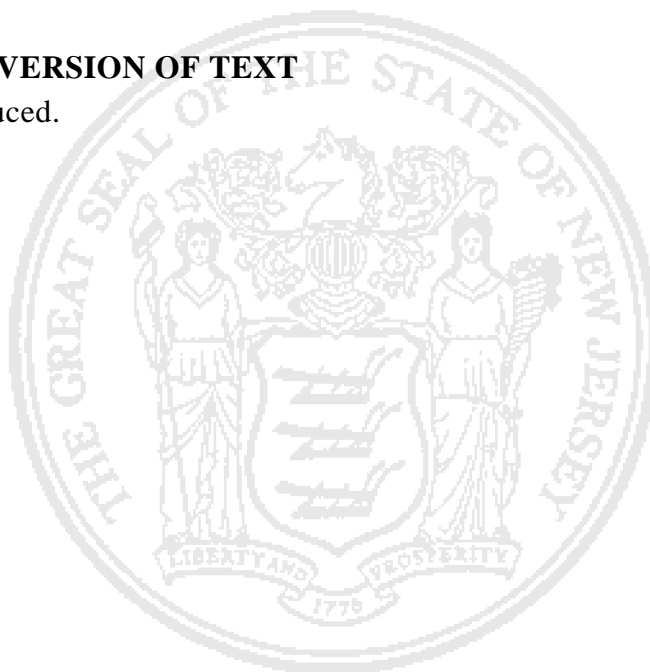
**Assemblywoman Previte, Assemblymen Egan, Scalera, McKeon and  
Chivukula**

**SYNOPSIS**

Provides circumstances when housing nonprofits may join with local units in joint insurance funds.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/25/2004)**

1 AN ACT permitting certain non-profit housing entities to join together  
2 with housing authorities or with other non-profit housing entities  
3 for certain insurance purposes, and supplementing P.L.1983, c.372  
4 (C.40A:10-36 et seq).

5  
6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8  
9 1. a. For the purposes of P.L. , c. (C. ) (pending before the  
10 Legislature as this bill) a “non-profit housing entity” means an  
11 organization that provides housing meeting the low and moderate  
12 income limits established by the United States Department of Housing  
13 and Urban Development, if that organization is organized as a not-for-  
14 profit entity or as a limited partnership, in a low or moderate income  
15 housing project that has as its general partner a not-for-profit entity  
16 that has as its primary purpose the construction, rehabilitation or  
17 management of housing projects for occupancy by persons of low and  
18 moderate income.

19 b. A non-profit housing entity shall be deemed a local unit for the  
20 purposes of P.L.1983, c.372 (C.40A:10-36 et seq.) if it chooses to  
21 establish or join a joint insurance fund, pursuant to P.L.1983, c.372  
22 (C.40A:10-36 et seq.), that is comprised of either non-profit housing  
23 entities or housing authorities or a combination thereof. Such joint  
24 insurance funds shall not have as its members local units that are  
25 municipalities, counties, boards of education, or fire districts.

26 c. Notwithstanding any provision of law to the contrary, a joint  
27 insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36  
28 et seq.) that includes non-profit housing entities as members shall not  
29 join together with other local units, as otherwise provided in section  
30 1 of P.L.1983, c.372 (C.40A:10-36), for the purpose of providing  
31 contributory or non-contributory group health insurance or group term  
32 life insurance, or both, to employees or their dependents or both.

33 d. Notwithstanding any provision of law to the contrary, a joint  
34 insurance fund established pursuant to P.L.1983, c.372 (C.40A:10-36  
35 et seq.) that includes non-profit housing entities as members may  
36 participate in joint insurance funds:

37 (1) where the membership is exclusively comprised of other joint  
38 insurance funds and whose purpose is to provide excess levels of  
39 coverage;

40 (2) where the membership is exclusively comprised of other joint  
41 insurance funds and whose purpose is to accept the transfer of residual  
42 claims liabilities; or

43 (3) whose purpose is to provide environmental impairment liability  
44 insurance.

45 e. A joint insurance fund that has as its members non-profit  
46 housing entities shall operate pursuant to the provisions of P.L.1983,  
47 c.372 (C.40A:10-36 et seq.)

1           2. This act shall take effect immediately.

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STATEMENT

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6           This bill authorize certain non-profit housing entities to establish  
7 or join joint insurance funds that are comprised of either non-profit  
8 housing entities, housing authorities or a combination thereof. Non-  
9 profit housing entities, however, would be precluded from joining  
10 joint insurance funds that have as their members local units that are  
11 municipalities, counties, boards of education, or fire districts.

12           The bill would define "nonprofit housing entity" as an organization  
13 that provides housing meeting the low and moderate income limits  
14 established by the United States Department of Housing and Urban  
15 Development, if that organization is organized as a not-for-profit  
16 entity or as a limited partnership, in a low or moderate income  
17 housing project that has as its general partner a not-for-profit entity  
18 that has as its primary purpose the construction, rehabilitation or  
19 management of housing projects for occupancy by persons of low  
20 and moderate income.

21           The bill would provide that joint insurance funds that include non-  
22 profit housing entities as members could not provide contributory or  
23 non-contributory group health insurance or group term life insurance,  
24 or both, to employees or their dependents or both.

25           The bill provides that a joint insurance fund that includes non-  
26 profit housing entities as members may participate in joint insurance  
27 funds:

28           (1) where the membership is exclusively comprised of other joint  
29 insurance funds and whose purpose is to provide excess levels of  
30 coverage;

31           (2) where the membership is exclusively comprised of other joint  
32 insurance funds and whose purpose is to accept the transfer of residual  
33 claims liabilities; or

34           (3) whose purpose is to provide environmental impairment  
35 liability insurance.

36           Otherwise, a joint insurance fund that has as its members non-  
37 profit housing entities would operate pursuant to the provisions of  
38 P.L.1983, c.372 (C.40A:10-36 et seq.), the provision of law governing  
39 joint insurance funds.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2756**

**STATE OF NEW JERSEY**

DATED: MAY 27, 2004

The Assembly Housing and Local Government Committee reports favorably Assembly Bill No. 2756.

This bill authorizes certain non-profit housing entities to establish or join joint insurance funds that are comprised of either non-profit housing entities, housing authorities or a combination thereof. Non-profit housing entities, however, would be precluded from joining joint insurance funds that have as their members local units that are municipalities, counties, boards of education, or fire districts.

The bill defines "nonprofit housing entity" as an organization that provides housing meeting the low and moderate income limits established by the United States Department of Housing and Urban Development, if that organization is organized as a not-for-profit entity or as a limited partnership, in a low or moderate income housing project that has as its general partner a not-for-profit entity that has as its primary purpose the construction, rehabilitation or management of housing projects for occupancy by persons of low and moderate income.

The bill provides that joint insurance funds that include non-profit housing entities as members may not provide contributory or non-contributory group health insurance or group term life insurance, or both, to employees or their dependents or both.

The bill provides that a joint insurance fund that includes non-profit housing entities as members may participate in joint insurance funds:

(1) where the membership is exclusively comprised of other joint insurance funds and whose purpose is to provide excess levels of coverage;

(2) where the membership is exclusively comprised of other joint insurance funds and whose purpose is to accept the transfer of residual claims liabilities; or

(3) whose purpose is to provide environmental impairment liability insurance.

Otherwise, a joint insurance fund that has as its members non-profit housing entities would operate pursuant to the provisions of P.L.1983, c.372 (C.40A:10-36 et seq.), the provision of law governing joint insurance funds.